

UTAH COUNTIES INSURANCE POOL

BOARD OF TRUSTEES MEETING

Thursday, February 18, 2010, 12:00 p.m.

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

AGENDA

12:00 Lunch Provided

12:30 Call to Order Kay Blackwell

ITEM ACTION

1	Review/Excuse Board Members Absent	Kay Blackwell
2	Parliamentary Procedure	Kay Blackwell
3	Approve January 21 Meeting Minutes	Steve Wall
4	Conflict of Interest and Disclosures	Sonya White
5	Review/Approve Offer to Purchase UCIP Vehicle	Johnnie Miller
6	Ratification and Approval of Payments and Credit Card Transactions	Steve Wall
7	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Kay Blackwell
8	Action on Litigation Matters	Kent Sundberg
9	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Kay Blackwell
10	Action on Personnel Matters	Kay Blackwell

INFORMATION

11	Chief Executive Officer's Report	Johnnie Miller
12	Other Business	Kay Blackwell



BOARD OF TRUSTEES MEETING MINUTES

February 18, 2010, 12:00 p.m.
UCIP Offices, 10980 South Jordan Gateway, South Jordan, UT

BOARD MEMBERS PRESENT

Kay Blackwell, *President*, Piute County Commissioner
Ken Bischoff, *Vice President*, Weber County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor
Bruce Adams, San Juan County Commissioner
Jim Eardley, Washington County Commissioner
Gerald Hess, Davis County Deputy Attorney
Jerry Hurst, Tooele County Commissioner
Wayne Smith, Iron County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Steve White, Utah County Commissioner

BOARD MEMBER PARTICIPATING

Karla Johnson, Kane County Clerk-Auditor

BOARD MEMBERS ABSENT

Brad Dee, Weber County Human Resources Director
LaMar Guymon, Emery County Sheriff

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Manager of Administration

Call to Order

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 12:30 p.m. on February 18, 2010, welcomed those in attendance and participating via telephonic conference.

Review/Excuse Board Members Absent

Brad Dee had a previous commitment and was unable to attend this meeting. LaMar Guymon was injured in an accident and requested to be excused from this meeting. Ken Bischoff made a motion to excuse Brad Dee and LaMar Guymon from this meeting. Steve Wall seconded the motion, which passed unanimously.

Parliamentary Procedure

Kay Blackwell asked the Members of the Board if they had any questions or concerns relating to the discussion on Parliamentary Procedures discussed at the prior Board Meeting.

Approve January 21 Meeting Minutes

The minutes of the Board of Trustees meeting held January 21, 2010 were previously sent to the Board Members for review. Steve Wall made a motion to approve the January 21, 2010 meeting minutes as written. Jerry Hurst seconded the motion, which passed unanimously.

Conflict of Interest and Disclosures

Sonya White explained that pursuant to Article 14.6 of the Bylaws, *...each Board Member shall complete a disclosure...[which] shall affirm the person's awareness of this bylaw requirement and either state that no described conflicts exist, or make all required disclosures.* Each Board Member received a copy of the Article and a Conflict of Interest and Disclosure to sign.

Review/Approve Offer to Purchase UCIP Vehicle

Johnnie Miller explained that the Board approved to extend the use of the UCIP Vehicle, a 2007 Ford 500, by the Loss Control Manager until the end of 2009. As of today, steps have not been made to sell the vehicle. Steve White made a motion authorizing the vehicle provision to be extended through the end of March 2010 and declare the vehicle as surplus at the next Board Meeting. Jim Eardley seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made (see attachment number one) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Ken Bischoff seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Kent Sundberg made a motion to set date and time for a closed meeting to discuss pending or reasonably imminent litigation at 12:50 on February 18, 2010. Gerald Hess seconded the motion, which passed unanimously. During discussions relating to Utah County claims, Kent Sundberg and Steve White were excused from the meeting. During discussions relating to Weber County claims, Ken Bischoff was excused from the meeting.

The regular meeting resumed at 1:20 p.m. on February 18, 2010.

Action on Litigation Matters

Jerry Hurst made a motion authorizing settlement up to an amount of \$15,001 and any reasonable attorney's fees to date in the matter of UTA000302004. Steve Wall seconded the motion, which passed; Kent Sundberg and Steve White abstained.

Jerry Hurst made a motion authorizing settlement up to an amount of \$300,000, upon approval by the reinsurance carrier, County Reinsurance Limited, in the matter of UTA0001692009. Steve Wall seconded the motion, which passed; Kent Sundberg and Steve White abstained.

Kent Sundberg made a motion authorizing settlement up to an amount of \$50,000 in the matter of WEB0002572009. Steve Wall seconded the motion, which passed; Ken Bischoff abstained.

The Board Members agreed with the Litigation Management Committee's recommendation to appoint James Swink, Cache County Attorney, or Jann Farris, Morgan County Attorney, to replace Thomas Lowe on the Committee.

Set Date and Time for Closed Meeting

Ken Bischoff made a motion to set the date and time for a closed meeting to discuss the Character, Professional Competence, Physical/Mental Health of an Individual at 1:30 p.m. on February 18, 2010. Gerald Hess seconded the motion, which passed unanimously.

The regular meeting resumed at 2:20 p.m. on February 18, 2010.

Action on Personnel Matters

Jim Eardley made a motion directing the Board Members previously appointed as the Search Committee (Brad Dee, Gerald Hess, Kent Sundberg and Steve Wall) and the President, Kay Blackwell, to begin the process of searching for a new Chief Executive Officer of the Pool; Kay Blackwell was appointed as Interim CEO. Steve White seconded the motion, which passed unanimously. Johnnie Miller's last day will be March 8, 2010. Compensation for the Interim CEO will be discussed at the next Board meeting.

Chief Executive Officer's Report

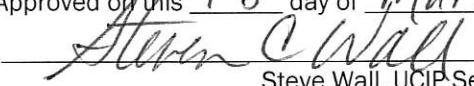
Johnnie Miller reported that the Workers Compensation Fund has experienced issues with the claims data conversion and have estimated that the conversion will be completed early to mid March. The Pool continues to handle all claims prior to 2010. Johnnie recommended that UCIP's workers compensation adjuster stay on staff until the end of March. All new claims (2010 coverage year) are being reported directly to the Fund. No concerns have been reported from Members. Safety training is being scheduled in each county.

Johnnie Miller reported that Sonya White has compiled all the materials requested by the auditors for their upcoming review schedule for March 1-5, 2010. Sonya has prepared the draft year-end financial statements that have been reviewed by Johnnie and Steve Wall and will be reviewed by Larson and Rosenberger for acceptance as part of the annual audit. Staff has reviewed the draft actuarial analysis for the year ending 2009. At year end, the workers compensation pool finished strong. Once the audit is complete and the numbers agree with the actuarial analysis a report will be provided to the Board.

Johnnie Miller recommended that the Board focus on service to the members to keep the multiline pool the only viable option for counties.

Other Business

The next meeting of the Board of Trustees is scheduled for March 18, 2010 at 12:00 p.m. at the UCIP Offices.

Approved on this 18th day of March 2010

Steve Wall, UCIP Secretary-Treasurer



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Notice Title:	Board of Trustees
Government Type:	Special Districts
Entity:	Utah Counties Insurance Pool
Public Body Name:	Board of Trustees
Notice Subject:	County Government
Street Address:	10980 S. Jordan Gateway
Street Address continued:	
City:	South Jordan
Zip:	84095
Start Date:	02/18/10 12:00 PM
End Date:	02/18/10 4:00 PM
	Lunch Provided
	Call to Order
	ACTION
	Review/Excuse Board Members Absent
	Parliamentary Procedure
	Approve January 21 Meeting Minutes
	Conflict of Interest and Disclosures
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	Physical/Mental Health of an Individual
	Action on Personnel Matters
	INFORMATION
	Chief Executive Officer's Report
	Other Business

Description / Agenda:

ADA:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Insurance Pool, PO Box 760, Midvale, UT 84047, or call

Electronic Participation:

Other:

Emergency Notice:

Send copy of notice to:

Attachments

800-339-4070, at least three days prior to the meeting.

Any Member of the Utah Counties Insurance Pool Board of Trustees may participate telephonically.

No

editor@sltrib.com

There are no attachments associated with this notice.

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January 22 - February 18, 2010

TOTAL

AFFIDAVIT OF KAY BLACKWELL

STATE OF UTAH)
 :ss
COUNTY OF SALT LAKE)

Kay Blackwell, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or about the 18 day of February, 2010, presided over a meeting of the Utah Counties Insurance Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.
3. That a quorum of the Utah Counties Insurance Pool Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

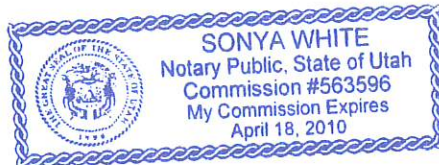
FURTHER, Affiant saith not.

DATED this 18 day of February, 2010.



KAY BLACKWELL, President
Utah Counties Insurance Pool

On the 18 day of February 2010, personally appeared before me Kay Blackwell, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.


NOTARY PUBLIC

My Commission Expires: April 18, 2010

Johnnie Miller

From: Philip Bell [philip.bell@countyreinsurance.org]
Sent: Wednesday, February 17, 2010 3:12 PM
To: 'Richard Barnes'; 'Andy Sargeant (E-mail)'; Bev Cunningham; 'Craig Nelson'; 'David A. Paulk (E-mail)'; 'David Thompson'; David W. Brooks, CPCU; 'Debbie Norman'; Dusty Birdsong; 'Eddie Jones'; Henry van Arcken; 'Jim Jean, ARM (E-mail)'; 'John R. Sallade (E-mail)'; Johnnie Miller; 'Joseph R. Greathouse (E-mail)'; lester.nixon@ncacc.org; 'O. H. "Buddy" Sharpless (E-mail)'; O. H. "Buddy" Sharpless; 'Rodney Miller'; 'Ron Lethgo'; 'Ross D. "Dick" Burke'; sbrasfield@acca-online.org; 'Steve Kopelman'; 'Thomas Job'; 'Wayne E. Carlson'; 'William Hardy (E-mail)'; 'Wormsley, Bob'
Cc: Brenda K. Gibson; brent.wells@countyreinsurance.org; Frank Peterson
Subject: CIAW Report
Attachments: CIAW Report to State Risk Manager - 2010.pdf

Members:

The attached report was referenced by Harold Pumford (AGRIP) in a recent email. I just got around to reading it, and was surprised and shocked by what I found. It is one thing to have difficulties because of reserve development and other issues. This is totally different. For example, according to this independent examination:

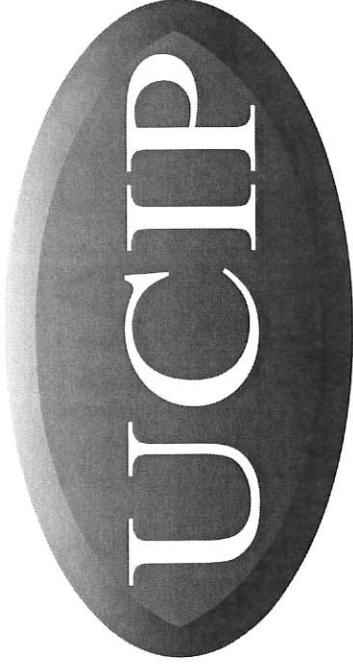
- CIAW was adding members with questionable tax status, jeopardizing the tax status of the entire pool.
- CIAW overstated aggregate stop loss coverage as a receivable on the balance sheet. This overstated surplus by approximately \$3MM. (The reinsurance contract was clear, but the program administrator apparently anticipated an endorsement from the reinsurer to change the attachment point.)
- CIAW improperly booked as an asset \$3MM on the advice of the program administrator. This amount was a goal or plan based on anticipated collections from members over the next 5 years. The auditor curtly replied that "plans" are not assets.

There are a number of other items. This is a good laundry list of things that we should not do. The pool received a Cease and Desist Order from the State of Washington in January.

Thanks,

Philip E. Bell, CPCU, ARM, ARE
 County Reinsurance, Limited
 P: (336) 766-3930

competitors
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 bad go with
 standard mkt



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Board of Trustees

February 18, 2010

UCIP Auto Sale

- Mark Brady has made an offer to purchase UCIP vehicle.
- Offer is between Blue Book value and amount of asset currently carried by UCIP.
- This will retire old auto plan in its entirety. Board needs to approve extension of old auto plan through end of first quarter.

Audit Process Update

- Financials completed and will be forwarded to the auditors after Board review today.
- Materials requested by auditors for review have been assembled and ready for on-site work.
- Actuarial work completed based on estimates, and will be firmied up through the audit process.

WCF Program Status

- Data transfer to be complete-----.
- Will retain WC Claims Manager for additional 2 weeks after transfer to assure smooth transition for members.
- All members reporting new claims to WCF
- All reports on transition to date have been good.